Bad debts of banks in Maharashtra

949. SHRI SURINDER KUMAR SINGLA:

DR. SHRIKANT RAMCHANDRA JICHKAR:

Will the Minister of FINANCE be pleased to state.

(a) what are the total amount of bad and doubtful debts of banks in Maharashtra as on 1st July, 1994;

(b) out of this how much is recoverable and how much is not recoverable; and

(c) what steps are being taken to recover these debts?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) and (b) Reserve Bank of India (RBI) have intimated that their present data collection system does not generate Statewise information on bad and doubtful debts.

(c) Steps taken by banks to recover advances include attempts to revive the unit, improve its business by diversifying its activity enhancing profitability etc. If such steps do not yield any result, advances are recalled and steps are initiated to recover the same by enforcement of bank guarantees or by initiating legal roceedings against the party When the advances are covered by the guarantees of the Deposit Insurance and Credit Guarantee Corporation, claims are also lodged with the Corporation.

Privatisation of Nationalised Banks

950. SHRI RAMASHRAY PRASAD SINGH:
SHRI HARIBHAI PARTHIBHAI BARIK: Will the Minister of FINANCE be plaesed to state:

(a) whether Government have a proposal to privatise the nationalised banks;

(b) if so, the guidelines laid down and the reasons led to the privatisation of banks; and

(c) the details of the response of the private sector thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) There is no proposal for privatisation of the nationalised banks. The Banking Companies (Acquisition and Transfer of Undertakings) Acts, 1970 and 1980 which have been amended recently enable nationalised banks to raise equity from the market subject to the condition that Central Government shall at all times hold not less than than 51 per cent of the paid up capital of these banks.

(b) Does not arise in view of reply to (a) above.

(c) No nationalised bank has so far accessed the capital market.

प्रत्येक बैंक शाखा के अनुसार औसत जनसंख्या

951. **श्री आस मोहम्मद :** क्या **वित्त मंत्री** यह बताने की कृपा करेंगे कि :

(क) बिहार में और सम्पूर्ण देश में सरकारी क्षेत्र के बैंकों की प्रत्येक शाखा पर औसत जनसंख्या (1991 की जनगणना के अनुसार) कितनी है ; और

(ख) 30 जून, 1994 की स्थिति के अनुसार बिहार और पूरे देश के बीच जमा राशि अनुपात क्या हैं ?

वित्त मंत्रालय में राज्य मंत्री (श्री एम. वी. चन्द्रशेखर मूर्ति) : (क) भारतीय रिजर्व बैंक ने सूचित किया है कि मार्च, 1994 के अंत तक की स्थिति के अनुसार बिहार में सरकारी क्षेत्र के बैंकों के प्रति शाखा कार्यालय के पीछे 28,656 की औसत जनसंख्या है (1991 की जनगणना

के अनुसार) जबकि अखिल भारतीय औसत 19,563 का है ।

(ख) दिसम्बर, 1993 के अंत तक की स्थिति के अनुसार (अद्यतन उपलब्ध बिहार में सभी अनुसूचित वाणिज्यिक बैंकों का ऋण जमा अनुपात 36.6 है, जब कि समग्र, रूप से देश के लिए यह 58.0 है ।

Influx of Foreign fund

952. SHRI ASHOK MITRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government shares the apprehension of both the Governor of the Reserve Bank of India and the World Bank that the recent influx of foreign funds poses an inflationary threat to the country;

(b) If so, the measures under contemplation for coping up with this threat of inflation; and

(c) whether a reappraisal of the policy of the agricultural exports is one of the measured being thought of in this connection?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The recent rise in net foreign exchange assets of the Reserve Bank arising from large inflow of foreign funds is likely to have an inflationary potential through its impact on monetary expansion.

(b) To moderate the impact of inflow of foreign funds on inflation Government and the Reserve Bank have either taken or contemplate a number of steps which include: (i) limiting the Central Government's fiscal deficit to 6 per cent of GDP in 1994-95 as against 7.3 per cent last year; (ii) placing a cap on recourse to ad-hoc treasury bills by the Central Government; (iii) active open market operations by the Reserve Bank in Government securities; (iv) raising of the cash reserve ratio of the scheduled commercial banks; (v) tightening of the selective credit controls in the case of certain sensitive commodities; vi moderation in banks' access to refinance from Reserve Bank; (vii) allowing the import of sugar, raw cotton and edible oils under open General Licence (OGL) at ero|concessional rate of duty; and (viii) active intervention in the foodgrains market by open market sale of rice and wheat through FCI. The comfortable stock of foodgrains and foreign exchange reserves and strict implementation of monetary and fiscal policies are expected to bring about a sharp reduction in the inflation rate during the current financial year.

(c) No, Sir.

Closure of Nationalised Banks

953. SHRI DIPANKAR MUKHERJEE: Will the Minister of FINANCE be pleased to state:

(a) how many nationalised banks/bank branches have been closed for running at a loss;

(b) whether any assessment for the reasons for such loss has been made; and

(c) if so, details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKHAR MURTHY): (a) The Reserve Bank of India (RBI) has reported that 104 branches of 8 nationalised banks were identified for closure/merger for continuously running at a loss. Necessary action for closure of the branches is being taken by the respective banks.

(b) and (c) On the basis of assessments made by the banks, it appears that the main reasons for losses are existence of large volume of non-performing assets, faulty credit